

Economic Development Analysis

This chapter summarizes the current economic environment in and around Eau Claire and presents the major economic development planning issues. Subjects covered in this chapter include transportation facilities, workforce, employment, major employers, key industries, locations of employment, and economic development organizations.

Major Economic Development Issues

These are the major economic development issues identified through the analysis of conditions:

1. **Workforce:** How can the community maintain or improve its attractiveness as a place to live and work? Which community resources and areas should be a priority in a strategy to attract and retain a competitive workforce?
2. **Development of Additional Business and Industrial Park Land:** What should the City or County do, if anything, to improve the community's inventory of serviced industrial sites so as to provide an appropriate and competitive mix of sites with regard to location, size, topography, and covenants?
3. **Fringe Sites versus Redevelopment Sites:** How much of Eau Claire's future business development should occur on redevelopment sites (where there is existing roads and utilities) compared to fringe or "greenfield" sites?
4. **Tax Base Density of Future Business Park Developments:** Should the City seek to increase the property tax yield of its business and industrial parks? Should this be done by increasing density, increasing building value, or both?
5. **Limited Rail Access:** What should the City do, if anything, to help create new industrial sites with railroad access? Are such sites essential to accomplish the community's economic development strategy?
6. **Conflicts with Adjacent Uses:** Should the City take steps to reduce land use conflicts in and around existing business and industrial parks? In or near future business and industrial parks, should the City seek to minimize residential development or use design to reduce incompatible relationships?
7. **Coordinated Campus Planning:** Should the City help create a long-term master plan for the vicinity of the major institutions near Clairemont Avenue: the

University of Wisconsin–Eau Claire, Chippewa Valley Technical College, Marshfield Clinic, Sacred Heart Hospital and Midelfort Clinic?

8. **National Presto Industries:** How should this major site in the northeastern part of the city be re-used?
9. **Chippewa Valley Industrial Park east to Hwy 53:** Should the small residential area between US 53 and the Chippewa Valley Industrial Park along Melby Avenue be redeveloped for industrial use? What use or uses might be appropriate for that gateway location?
10. **Downtown:** To what role should the Downtown play in the Eau Claire economic development strategy? To what extent should the City be financially involved in Downtown business site development, infill and revitalization?
11. **Assistance Programs:** Should the City revise its economic development assistance programs?

Eau Claire's economic development assistance programs were created in the 1980's and may be more suitable for manufacturing industries than service industries, which constitute a larger share of the economy today (and in the future) than they did in the past. Every City should periodically reexamine its assistance programs to ensure that they are competitive and consistent with their economic development strategy.

12. **Organization:** Should the current public and private collaborative structure for promoting economic development in and around Eau Claire be modified? How should organizational roles, responsibilities and budgets be changed to accommodate changing community needs, priorities, and opportunities?



Hutchinson Technology

Economic Environment

The Eau Claire Area Economy

The City of Eau Claire serves as the economic hub of West Central Wisconsin. Located in the Chippewa Valley, its economy is closely linked to its neighbors—Chippewa Falls and Menomonie. Eau Claire is the county seat of Eau Claire County and serves as a regional center for health care, higher education, retail and service businesses, arts and culture, and employment. The community's diversified employment base includes health care, education, business and professional services, transportation, trade and utilities, finance, manufacturing, and high technology.

Transportation

Eau Claire is located along the east-west Chicago-Milwaukee-Minneapolis corridor of Interstate 94/90 at the intersection with north-south US Highway 53, which runs north to the Lake Superior ports of Duluth/Superior and south to the Mississippi port city of La Crosse. East-west US Highway 29 currently passes through Chippewa Falls and runs east to the port city of Green Bay on Lake Michigan. By 2006, Highway 29 will be relocated out of downtown Chippewa Falls to an alignment just 3 miles north of the City of Eau Claire; this will complete the process of creating a four-lane access from the Twin Cities to Green Bay.

The Chippewa Valley Regional Airport is the largest airport in a 30-county area of northern Wisconsin. Eau Claire County owns the 1000-acre airport; Chippewa and Dunn Counties contribute operating support. Scheduled commercial service (6 roundtrips per day to the Twin Cities) is available via Mesaba Airlines, the regional carrier for Northwest Airlines. Groundside services include a small family restaurant and automobile rentals by Avis, National, and Hertz.

Substantial new investments have been made in the airport and additional improvements are anticipated.

- A \$4.3 million project is nearing completion at the airport (summer 2003) to lengthen the runway 820 feet (8,100 feet available).
- A \$2.1 million project was recently completed south of the general aviation area to develop additional hangars for both corporate and private aircraft.
- In 2004, the FAA begins a \$6 million project to construct a new 85' tall control tower and offices.
- In 2006, work will begin for air cargo improvements.
- A terminal expansion study is underway.

Rail service is provided by Union Pacific Railroad. The community is located on a line that runs from the Twin Cities to Milwaukee and Chicago.

Workforce

The “Labor Shed” for Eau Claire

The City of Eau Claire, the employment center of Eau Claire County, is also a regional employment center, with a net commute into the county of 4,579 workers (Census 2000). The majority of workers commuting into Eau Claire County reside in Chippewa and Dunn Counties.

Table 8-1:
Eau Claire County Commuting Patterns

	Eau Claire Workers Commute From	Eau Claire Residents Commute into	Net Commute
Chippewa County	6,668	4,572	2,096
Dunn County	2,746	1,302	1,444
Trempealeau County	969	762	207
Buffalo County	552	293	259
Pepin County	401	62	339
Barron County	346	139	307
Jackson County	247	122	125
Clark County	221	78	143
St. Croix County	115	88	27
Other counties	1,227	959	268
<i>Work within Eau Claire County</i>	39,958	39,958	--
Total	53,182	48,603	4,579

Department of Workforce Development, Census 2000, Worker Flow files, March 2003

Population Trends

Population trends are of importance to economic development because they affect the supply of workers and because economic activity tends to concentrate in areas with a larger population. From 1990 – 2000, the population of Eau Claire County increased 9.3%, ranking 43rd out of 72 Wisconsin counties. Approximately two-thirds of the net gain in population of 10,148 can be attributed to natural increase (births exceed deaths) and the remaining one-third can be attributed to net migration.

Census 2000 reveals that the median age in Eau Claire County, 32.4 years, is comparatively young – the fourth lowest in the state. The median age in the City of Eau Claire is even younger at 29.4 years. Both are lower than the state median of 26 years and the national median of 33.3 years (Department of Workforce Development: Labor Market Information, October 2002). This can be attributed in part to the concentration of young adults attending the university and technical college. Access to young, well-educated people can be viewed as an advantage for employers in the area. Retirement of baby boomers will begin within a decade, and the labor market is expected to be tight. The community’s ability to attract and retain young people will be important to future economic vitality.

As a regional center for health care, education, retail, services, and government, the greater Eau Claire area is well positioned for continued growth in population.

Labor Force Participation

The Eau Claire area is hard-working. The labor force participation rate in Eau Claire County in 2001 was 71.5% compared with 72.8% statewide; the state of Wisconsin typically ranks first or second in the nation for labor force participation. The labor force consists of civilians who are at least 16 years old and are not incarcerated or institutionalized. Most people not in the labor force are students, at-home parents, or retirees. (Department of Workforce Development, LMI, Oct.2002)

Educational Attainment

The City of Eau Claire enjoys exceptionally high educational attainment when compared with the State of Wisconsin, the nation, and even all metro areas in the nation. This is likely due to the presence of high tech industries and the concentration of health care and higher education.

Table 8-2:
Educational Attainment: Population 25 Years Old or Greater

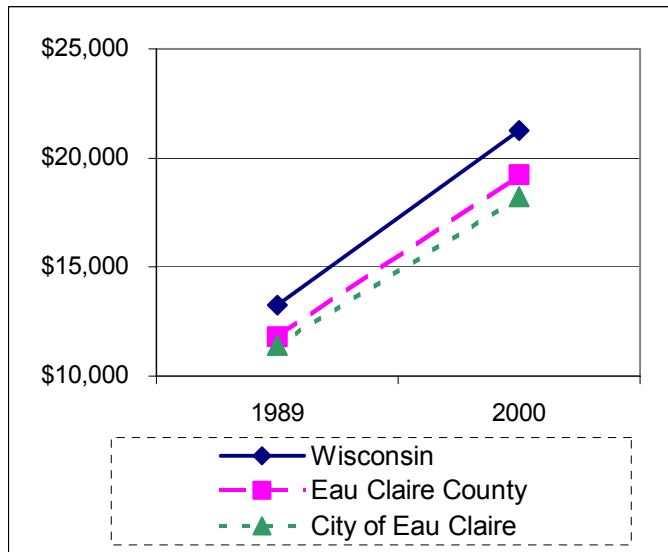
Educational Attainment	City of Eau Claire (Percent)	Wisconsin (Percent)	US (Percent)	All metro areas – US (Percent)
High school or greater	90	85	80	81
Bachelors degree or greater	29	22	24	27
Population 25-34 with a bachelors degree or greater	34	28	27	30

Census 2000

Income

Typically, higher educational attainment translates into higher earnings. However, per capita income in the City of Eau Claire was \$18,230 in the 2000 Census, about 14.3% lower than the state per capita income of \$21,271. Countywide, per capita income was \$1,020 higher, about 9.5% lower than the state. The state and city experienced a growth rate of 60% in per capita income over the decade, while the county experienced a growth rate of 63%. The poverty rate for individuals in the City of Eau Claire (Census 2000) was 13.6%, higher than Eau Claire County at 10.9% or the State of Wisconsin at 8.7%. “Incomes are lower in Eau Claire County, not only because of lower wages, but also because of a large elderly population living on fixed incomes.” (Department of Workforce Development, Eau Claire County Workforce Profile, October, 2002.) A significant concentration of full time students typically lowers the per capita income of an area.

**Figure 8-1:
Per Capita Income**

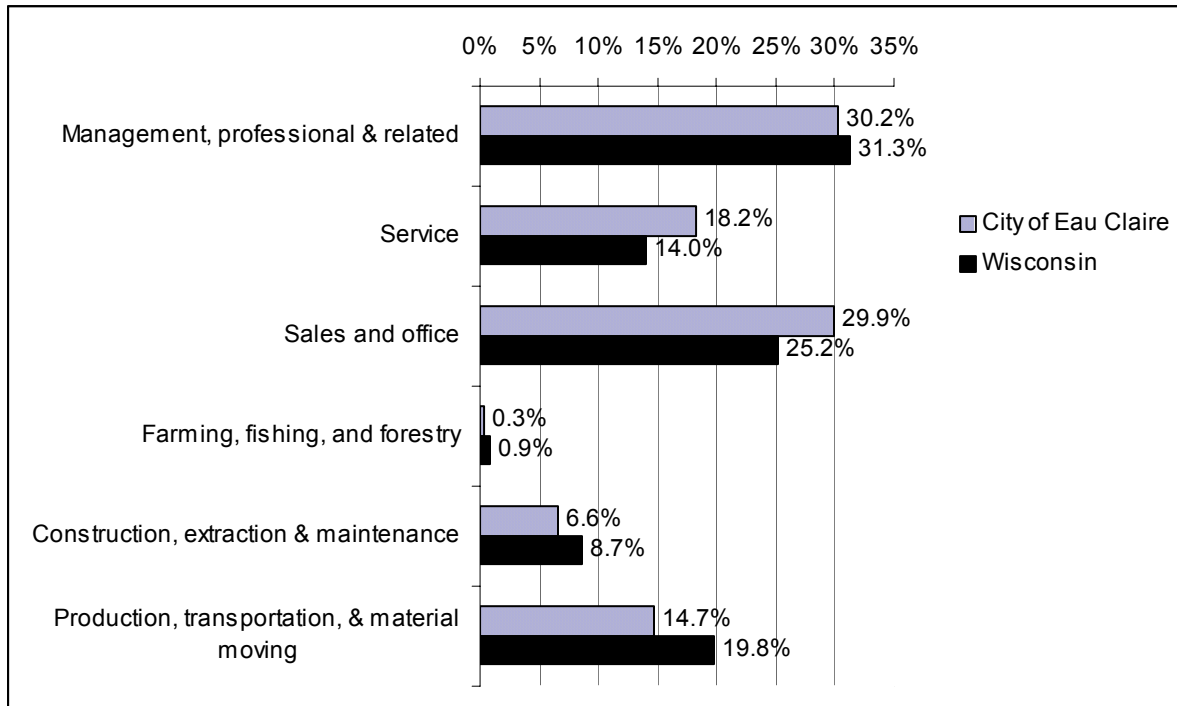


Census 2000

Occupation

The largest occupational group in both the City of Eau Claire and the State of Wisconsin is Management, professional and related occupations; these include jobs as teachers and health care professionals as well as a variety of professional services – legal, accounting, finance, and insurance. Jobs in these occupations typically require an education beyond high school and may require an advanced degree. The concentration of jobs in this category in the community (30.2%) reflects its role as a regional center for health care and higher education.

**Figure 8-2:
Employment by Occupation: City of Eau Claire – 2000**



Census 2000

The second largest occupational category in the community and the state is Sales and office. Workers in these occupations, such as accounting clerks, technical sales representatives, and general office clerks, are employed in all industries. Most employers expect workers in these occupations to have some training beyond high school. The concentration of sales and office workers in the city (29.9% compared to 25.2% statewide) likely reflects the community's role as a center for government, health care, business, and professional services.

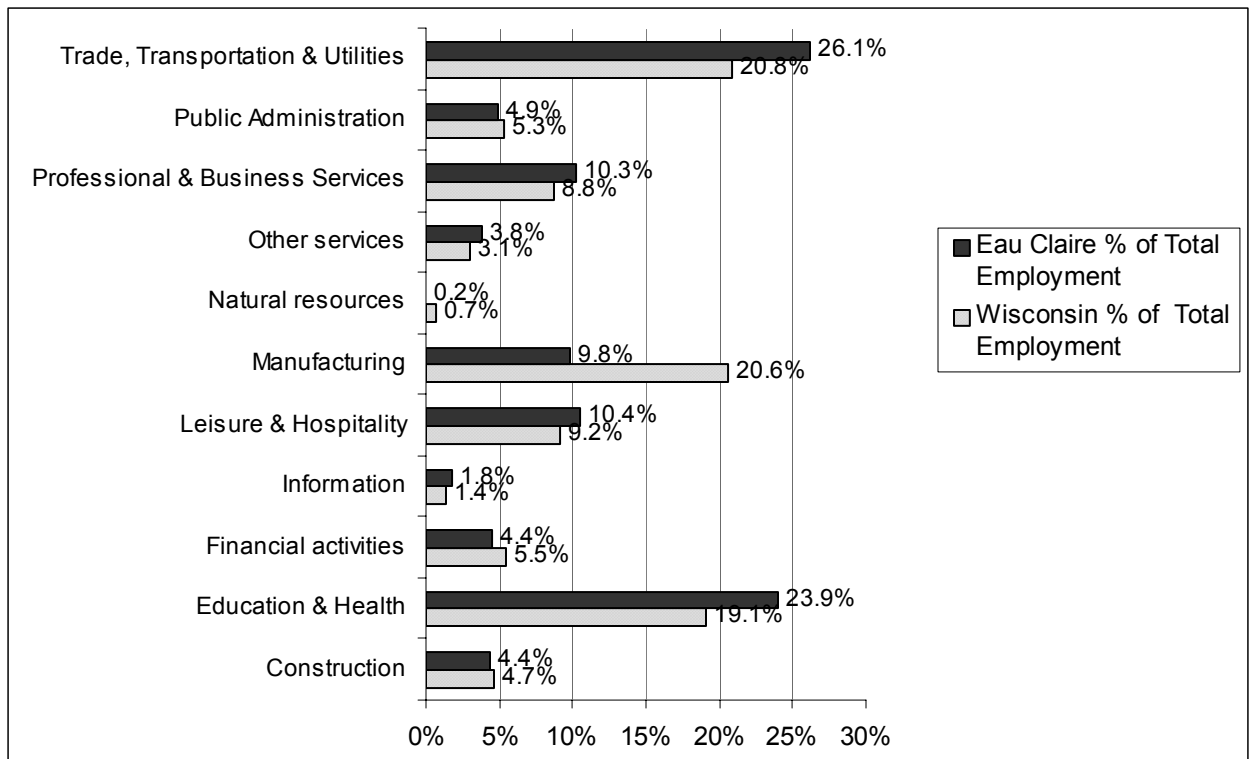
Service occupations such as nurse aides, janitors, kitchen workers, waiters, police, and firefighters comprise the third largest occupational category in the city, at 18.2% compared with 14% and fourth place statewide. The educational requirements and wages for many of these jobs are relatively low and workers in some of these occupations often work less than 40 hours per week.

The third largest occupational group statewide at 19.8% is Production, transportation, and material moving; it is the fourth largest category in the city at 14.7%. Many of these occupations are associated with manufacturing and distribution. Manufacturing employment as a percentage of total employment in Eau Claire is 9.8%, less than half the statewide average of 20.6%.

Employment

The following graph of employment concentration by industry reflects Eau Claire's role as a regional center – with high concentrations in trade, transportation, and utilities; education and health; professional and business services; and leisure and hospitality. The community's high concentration in information reflects the legacy of Cray Research in the Chippewa Valley. The low concentration in manufacturing is notable.

**Figure 8-3:
Employment by Industry**



Census 2000

Health services is the largest industry group in the city. It has also shown the greatest numeric increase over the past 5 years – 1,231 jobs, more than double that of the next highest segment, industrial machinery and equipment. Those sectors which serve as an economic engine for the area – health, educational, and business services; industrial machinery and equipment; and wholesale trade – have all shown a respectable 5-year increase in employment, in spite of a substantial 1-year decline in business services and industrial machinery and equipment.

Table 8-3:
Top 10 Industry Groups: Eau Claire County

Industry Group	March 2001		Numeric Change	
	Employers	Employees	1-year	5-year
Health Services	129	6,224	270	1,231
Educational Services	23	5,000	170	592
Eating and Drinking Places	202	3,971	218	5
Building Materials	*	*	*	*
Business Services	126	2,511	-696	433
General Merchandise Stores	14	2,070	230	553
Industrial Machinery & Equipment	22	1,693	-446	602
Wholesale Trade – Durable Goods	131	1,686	14	489
Food Stores	35	1,649	54	98
Government	19	1,551	-41	17

** data suppressed to maintain confidentiality*

Department of Workforce Development, Eau Claire County Workforce Profile, October, 2002.

The Top 10 employer list is topped by Menard's, which has both corporate headquarters and two retail operations in the community. Seven of the top 10 employers are involved with education, health care, or local government.

Table 8-4
Major Employers

Major Employers	Type of Business	Employees (Eau Claire)
Menard's Inc	Lumber and other building materials	2,400
Luther Midelfort - Mayo Health System	General medical & surgical hospitals	2,000
Hutchinson Technology Inc	Computer storage devices	1,000
University Wisconsin System	University	1,300
Chippewa Valley Technical College	Technical institute	1,050
Sacred Heart Hospital	General medical & surgical hospitals	1,000
University Wisconsin-Eau Claire	University	600
Ovations and AmeriChoice	Medical insurance claim processing	550
County of Eau Claire	Local government	537
City of Eau Claire	Local government	531
Wal-Mart	Department stores, discount	460
Lutheran Social Services	Social Service Center	350
Phillips Plastics Corporation	Automobile hose, plastic	300
Eau Claire YMCA	Community membership club	300
Leader Telegram	Newspapers, publishing and printing	283
Career Development Center	Sheltered workshop	276
Eau Claire Academy	Psychiatric clinic	260
Shopko	Department stores, discount	250
Market & Johnson Inc	Hospital construction	250
Cascade Tissue Group of Wisconsin	Sanitary tissue paper	250
P D M Bridge L L C	Fabricated structural metal	250

Source: Dunn and Bradstreet Marketplace, Third quarter 2003

Key Industries for the City of Eau Claire

A number of the key industries in Eau Claire – such as health care, higher education, and professional services – reflect the city’s role as a regional service center for West Central Wisconsin. Businesses in the manufacturing and high tech sectors, as well as finance and insurance back office operations, bring new wealth into the region through the export of products and services.

The economies of the Chippewa Valley and City of Eau Claire are enmeshed. Workers commute throughout the region; businesses and institutions are influential throughout the region. For example, former employees of Cray Research in Chippewa Falls have established high tech businesses in Eau Claire; higher education resources at University of Wisconsin – Stout in Menomonie benefit Eau Claire manufacturers.

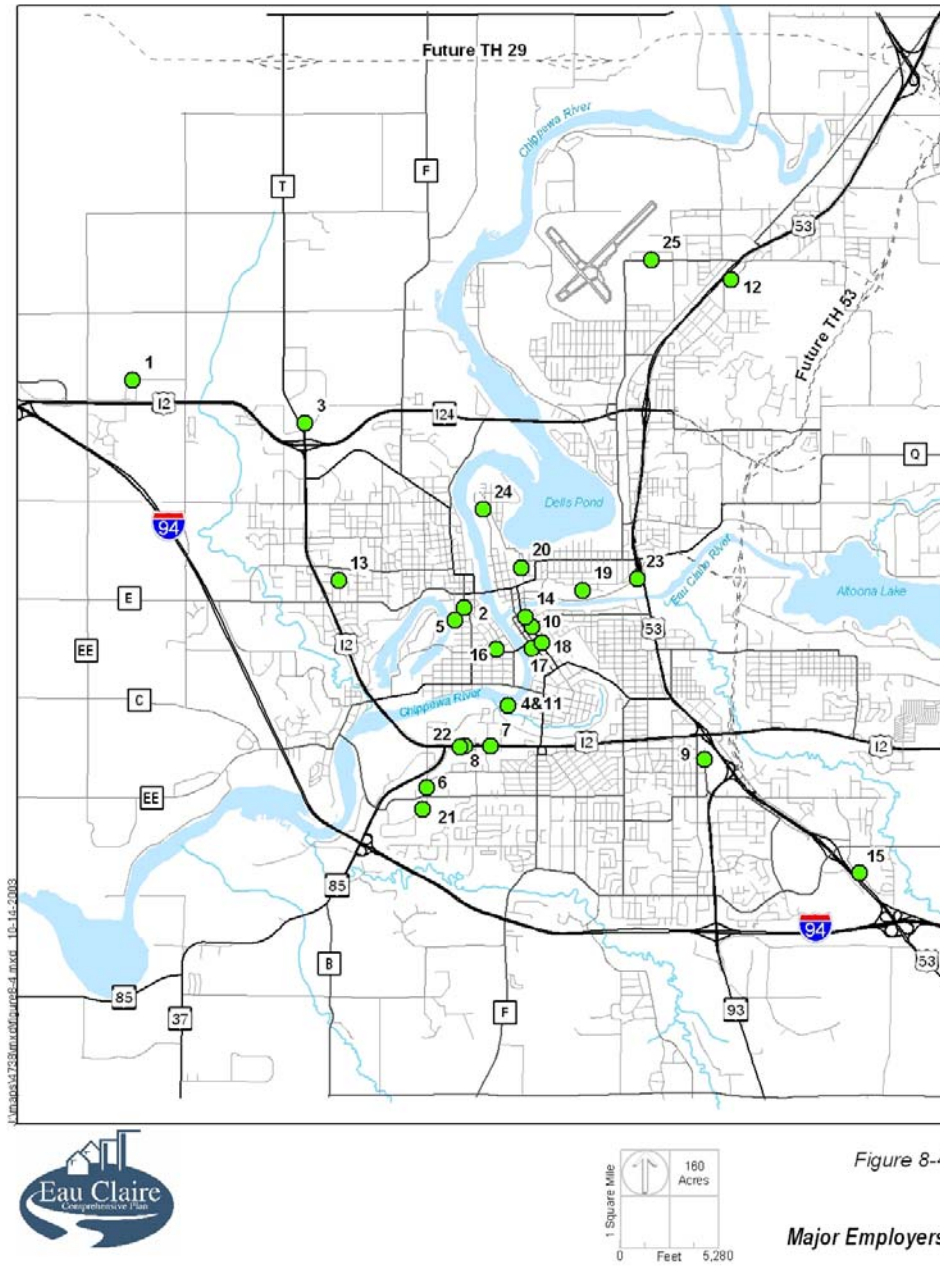
Health Care – Eau Claire serves as the regional center for health care in West Central Wisconsin. One businessperson noted that the community benefits from healthy competition between the Mayo Foundation headquartered to the west in Rochester, MN, and another strong health care organization, the Marshfield Clinic, located to the east in Marshfield, WI.

Luther Midelfort – Mayo Health System In 1992, Luther Hospital and Midelfort Clinic merged with the Mayo Foundation. Luther Hospital, located just across the Madison Street Bridge west of downtown, is a 310-bed general and intensive care facility (occupancy of 140 beds). Midelfort Clinic is one of the largest multi-specialty groups in Wisconsin, with more than 180 physicians on staff. It is located off West Clairemont Avenue on a 5-acre site near the Chippewa Valley Technical College. Luther Midelfort is recognized as a leader in the treatment of cardiovascular disease and performs open-heart surgery and other advanced heart procedures. Eleven clinics and three hospitals (Bloomer, Osceola, and Barron) are managed out of Eau Claire. Total employment in the county is approximately 1,875.

Marshfield Clinic has 9 locations and more than 100 physicians in the Chippewa Valley. Marshfield Clinic – Eau Claire Center is located on the south bank of the Chippewa River just west of UW- Eau Claire. Marshfield Clinic is a multi-specialty clinic that offers urgent care, as well as concentrations in neuroscience and cancer care.

Sacred Heart Hospital is a regional 344-bed acute care medical facility offering a full range of medical, surgical, maternity, behavioral, and psychiatric services. It is home to the Regional Cancer Center and the Neuroscience Center, and is the only accredited Rehabilitation Center in West Central Wisconsin. Sacred Heart employs approximately 1,000 people and is located north of West Clairemont Avenue, adjacent to UW – Eau Claire and the Chippewa Valley Technical College.

**Figure 8-4
Major Employers**



Higher Education

The City of Eau Claire benefits directly from the presence of two large higher education institutions. Other higher education resources in the region enhance the significance of this economic sector.

University of Wisconsin – Eau Claire provides degree programs in three colleges: Arts and Sciences, Business, and Professional Studies, which includes the Schools of Nursing, Education, and Human Sciences and Services. The campus of more than 10,500 students and 700 faculty spans the banks of the Chippewa River just south of the Courthouse complex. The University has primarily full-time, traditional students. The University is largely focused on undergraduate studies, but has 500 graduate students in business, education, nursing, and communication disorders. US News & World Report consistently ranks UW - Eau Claire among the top public universities in the Midwest.



Chippewa Valley Technical College (CVTC) has a main campus immediately south of UW – Eau Claire. The 48-acre campus is located north and south of W. Clairemont Ave. Four regional campuses serving 11 counties are managed out of the Eau Claire campus. Other campuses are located in Chippewa Falls, Menomonie, Neillsville, and River Falls. The college, with an enrollment of 4,000 full-time equivalent students, offers 55 associate degree and technical diploma programs in fields such as health, business, manufacturing, agriculture, construction, and emergency services.

CVTC is planning a new Health Care Education Center on its main campus to meet the growing demand for skilled health care professionals. It will be located south of W. Clairemont Ave. on the west end of the CVTC campus, across from the Midelfort Clinic.

The college's Manufacturing and Technology Center, located on 26 acres in the Gateway Industrial Park in Eau Claire, is home to the Haas Technical Center. The college has partnered with Haas, a manufacturer of machine tools, and its Midwest distributor, Productivity Inc. of Minneapolis, to provide state of the art equipment and technical training.

CVTC has a third campus in the community; the 167-acre site located west of US Highway 12 off CTH CC includes facilities for truck driver training, as well as a “simulated city” for training of fire fighters and emergency responders. CVTC recently built a new 20,000 square foot emergency services center at the campus on the west side of Eau Claire.

Other Chippewa Valley Educational Resources The University of Wisconsin—Eau Claire and Chippewa Valley Technical College collaborate closely with other important educational resources in the area. Residents and employers also benefit from the presence of two other institutions.

National Technological University (NTU) is a private, non-profit institution founded in 1984 to serve the advanced educational needs of busy, highly mobile engineers, scientists, and technical managers. NTU offers a wide range of satellite-delivered instructional television courses taught by faculty of the nation's leading engineering schools and other highly regarded organizations.

The University of Wisconsin – Stout, located in Menomonie, enrolls more than 7,200 students in its 24 undergraduate and 16 graduate degree programs. Stout's unique academic approach includes close working relationships with the private sector. Stout has an awarding winning institute in manufacturing technology.

High Technology

High technology started in the Chippewa Valley in Chippewa Falls when Seymour Cray, “father of the supercomputer,” established Cray Research in 1972. The regional technology industry encompasses more than 140 companies employing over 9,000 people in the Chippewa Valley. It is estimated that more than half of the technology workforce consists of degreed professional and technical staff. Technology sectors represented in the region include computer and electronic technologies, material technologies, telecommunications and utilities, automation and precision machining, medical technology and devices, and software. High tech employers located in the City of Eau Claire include Hutchinson Technology, 3M, Silicon Logic Engineering, LLP, Dynamic Displays, Cowles Legal Systems, and Minnesota Wire and Cable.

Manufacturing -- Food Processing

The City of Eau Claire is home to three food processors employing 340 people. Nestle USA expanded in Eau Claire in 1999, building a \$27 million facility for the production of infant food. Nestle originally purchased Carnation in 1985. Key factors in the company's decision to expand in Eau Claire were proximity to the existing plant, labor force, and water supply. This sector has declined in Eau Claire by more than 50% in recent years with the loss of Dadco Foods, a manufacturer of frozen pizza (210 jobs), and the Sara Lee Bakery (90 jobs).

Table 8-5
Food Processing Businesses

Business name	Type of business	Employees
Silver Spring Gardens	Prepared horseradish	200
Nestle, USA	Infant foods	120
American Ice Company	Manufactured ice	20
Total employment		340

City of Eau Claire Economic Development Division and D & B Marketplace, Third quarter 2003



Nestle Foods



Coca-Cola Bottling

Manufacturing -- Plastics and Rubber Manufacturing

Ten plastics manufacturing firms are located in the City of Eau Claire, employing over 600 people.

American Phoenix, Inc., located at the Banbury Place, uses equipment from the former Uniroyal-Goodrich operation in the custom formulation of rubber. American Phoenix employs 118 people. UniRoyal Goodrich employed 1,350 people shortly before it closed in 1990, but had 3,000 employees at its peak.

Table 8-6
Plastic or Rubber Manufacturing Businesses

Business name	Type of business	Employees
Phillips Plastics Corp	Injection molded finished plastics	260
American Phoenix Inc	Custom compounding of rubber	118
Intek Plastics	Thermoplastic extrusion – window trim	68
Tuscarora Inc.	Foam packaging & shipping materials	43
Phillips Corporate Operations	Plastics – mgmt of multiple locations	37
Five Star Plastics, Inc	Injection molding	35
Midwest Manufacturing Extrusion	Plastics hardware & building products	20
Badger Custom Windows, Inc.	Plastic windows	16
Accu-tech Plastics	Plastic film & sheeting	10
Total employment		607

City of Eau Claire Economic Development Division and D & B Marketplace, Third quarter 2003

Manufacturing -- Metal Manufacturing

Twelve metal manufacturing firms are located in the community, employing over 900 people.

Table 8-7
Metal Manufacturing Businesses

Business name	Type of business	Employees
PDM Bridge, LLC	Fabricated structural metal	250
3M	Communication wire	125
Northwestern Motor Company	Tractors used in plants, docks, terminals	102
J & D Manufacturing	Barn, silo, poultry & livestock machinery	85
Cloeren, Inc.	Tools, jigs, dies and fixtures	65
Minnesota Wire & Cable	Communication wire	60
LPI, Inc.	Trucks, tractors, loaders, and related eqmt	40
Pacesetter Corporation	Metal storm doors or windows	20
U-fuel Gumex	Pumps & pumping equipment	13
Pro-cise, Inc.	Molds for foundry & plastics working machinery	12
Premier Dies Corp	Dies & die holders for metal cutting, forming & die casting	11
LT Industries	Metal cans	10
	Total employment	793

City of Eau Claire Economic Development Division and D & B Marketplace, Third quarter 2003

Manufacturing -- Printing, Publishing, and Mailing

Ten firms in the City of Eau Claire with more than 10 employees are involved with printing, publishing, and mailing services and employ a total of nearly 600 people. The largest of these is the Leader Telegram – a Gannett publication. Some businesses serve a local or regional market, while others serve broader markets.

Table 8-8
Printing, Publishing and Mailing Businesses

Business name	Type of Business	Employees
Leader Telegram	Newspapers, publishing, printing	283
Documation LLC	Commercial printing	65
Johnson Litho Graphics	Commercial printing	60
Powertex Group	Screen printing	40
Spring Street Group	Commercial printing	35
Thinking Publications	Textbook publishing	25
Awards & More	Visiting cards	20
Eagles Printing	Flexographic printing	20
L & M Bar Coding Inc	Mailing service	20
Advanced Mail Inc	Direct mail advertising services	15
	Total employment	583

City of Eau Claire Economic Development Division and D & B Marketplace, Third quarter 2003

Services -- Finance and Insurance

The back office operations of several finance/insurance businesses provide substantial employment in the City of Eau Claire. Royal Credit Union, with corporate headquarters in Eau Claire, provides significant back office employment in addition to retail banking services.

Table 8-9
Finance and Insurance Businesses

Business name	Type of business	Employees
Ovations and AmeriChoice	Medical insurance claims processing	550
Equitable Life Assurance	Insurance services	600
Royal Credit Union	Headquarters operation- financial services	200
Blue Cross Blue Shield	Accident & health insurance	120
FDIC	Federal Deposit Insurance Corporation	20
Wisconsin Carpenters Pension Fund	Pension fund	19
	Total employment	1,509

D & B Marketplace, Third quarter 2003

Services -- Business and Professional Services

The City of Eau Claire's role as a regional center for West Central Wisconsin is apparent, with strong concentrations in engineering services as well as accounting and architectural services. In addition to the firms listed below, there are also 53 legal firms in the community employing 274 people. Several of the businesses serve not only West Central Wisconsin, but bring revenue into the community from an even broader service territory.

Table 8-10
Professional Service Businesses

Business name	Type of business	Employees
Lorman Education Services	Promotion services	175
Ayres Associates	Engineering services	125
Chartwells	Restaurant & food service consultants	100
Wipfli Ullrich Bertelsen, LLP	Certified public accountant	60
Zorn Accounting	Certified public accountant	50
Triniteam, Inc	Management services	36
Precision Quality Systems LLP	Engineering services	35
Finley Engineering	Consulting engineer	30
SDS Architects, Inc.	Architectural engineering	24
WJ Bauman Associates	Accounting services	23
Consumer Opinion Center	Marketing consulting services	20
PMSI	Construction management	19
Maxim Technologies Inc.	Engineering services	15
HVP Design Inc	Mechanical engineering	12
Andre Fleming & Associates	Consulting engineer	12
Virchow Krause & Company. LLC	Certified public accountant	12
Koxlien & Associates	Telecommunications consultant	10
Red Flint Group LLC	Accounting, auditing & bookkeeping	10
Lisa Mattoon	Accounting, auditing & bookkeeping	10
Hardees	Management consulting services	NA

D & B Marketplace, Third quarter 2003

Regional Service and Distribution

As a regional center in west central Wisconsin, Eau Claire has a large number of regional service and distribution businesses including soft drink, food, beer, and liquor distribution; paper and box supplies; and automotive, truck, and trailer parts and supplies;

Retail Sales

The retail sector is dependent upon manufacturing, higher education, and insurance back office operations that export a product or service and import dollars to the region. The retail sector in the US and State of Wisconsin accounts for approximately 12% of total employment; in Eau Claire County it is 20% (BLS, 2001). Accounting for employment at the corporate headquarters of Menard's, the retail sector still represents approximately 15% of total employment, reflecting the role of Eau Claire as a regional center for retailing activities. The retail sector is recognized as a low wage sector with limited benefits. Average annual pay in retail in the State of Wisconsin, and the US, was consistently 37 – 38% lower than "all industries." (BLS, 2001) Average annual pay in the retail sector is only 15% lower than "all industries" in Eau Claire, again reflecting higher wage employment at the corporate headquarters of Menard's.



J.C. Penney's at Oakwood Mall

Corporate Headquarters

Corporate headquarters typically generate higher paying jobs in the community and increase the demand for air transportation (private or commercial), advanced telecommunications, and hospitality services. The corporate headquarters operations of several major Eau Claire firms are characterized as follows:

- Menard's, a \$3,573 million dollar company, employs approximately 2,400 people locally and more than 25, 000 nationally.
- DeRosa Development is involved with fast food restaurants and employs 216 people in Eau Claire.
- Presto Industries no longer manufactures product in Eau Claire, but manages world-wide operations from their offices south of Melby, just west of 124/53.
- PDM Bridge is a \$46 million operation with 250 employees locally, and 400 total.
- Hardees fast food restaurant is headquartered in Eau Claire. Employment information is not available.
- Market and Johnson is involved with hospital construction. The company employs 250 people locally and over 350 throughout its operations.
- Ayers & Associates is a consulting engineering firm that employs 125 people locally.
- Silicon Logic Engineering provides design services for computer chips; the company employs 30 people locally.

(Sales and employment figures from City of Eau Claire – Economic Development Division and D & B Marketplace, Third quarter 2003)

Business and Industrial Parks / Key Employment Areas

Three business or industrial parks are located in the City of Eau Claire – Chippewa Valley Industrial Park, Skypark Industrial Center and Gateway West Industrial Park. Other concentrations of employment include:

- Downtown and major employment centers adjacent to the Historic Waterfront District of Downtown, including Luther Midelfort Mayo Health Systems, Hospital, the Courthouse, and Banbury Place;
- The adjacent campuses of five major institutions: UW-Eau Claire, Chippewa Valley Technical College, Sacred Heart Hospital, Midelfort Clinic, and Marshfield Clinic;
- Oakwood Mall area; and
- South Point Shopping Center (former London Mall area).

Chippewa Valley Industrial Park

Chippewa Valley Industrial Park, developed privately in 1968, is located between the Chippewa Valley Regional Airport and US Highway 53 on the north side of the city. The park consists of 425 acres, with 10 acres available. The site is flat, with a sand/gravel base, and has full utility services. The park is home to approximately 65 heavy and light manufacturing operations.

Skypark Industrial Center

Skypark, a high amenity park designed especially for light manufacturing operations, is located adjacent to State Highway 37 less than 1 mile from an interchange with I-94. The 120-acre park currently has 50 acres available. Developed in 1982 by the City of Eau Claire, the park features protective covenants, sidewalks, curb and gutter, and street lighting. Sewer, storm sewer, water, electric, gas, and fiber optic services are available.

Gateway West Industrial Park

Gateway West, the newest park in Eau Claire, was developed in 1990. It is located adjacent to US Highway 12 and State Highway 124, approximately 2 miles from the interchange with I-94. Gateway has water, sewer, storm sewer, electric, fiberoptic, and natural gas services. It is owned by a private non-profit corporation created by the City of Eau Claire, Eau Claire Economic Development Corporation, and Xcel Energy. The park consists of 740 acres of land; a total of 368 acres are undeveloped, with utility services currently available to 83 acres.

In 2002, Gateway Industrial Park Corporation exercised its option to purchase from Eau Claire County 138 acres of land adjacent to the northeast corner of the Gateway Business Park. The Gateway Corporation also purchased the 160-acre Krause property located northeast of the County Line Road/CTH T intersection. The newly acquired 298 acres of land (which is part of the 368 acres of undeveloped land described above) will be incorporated into the Gateway Business Park and served with roads and infrastructure for future industrial use.

Absorption of Business or Industrial Land

Since 1968, industrial land absorption in the community has totaled 648 acres, an annual absorption of 18.5 acres. A total of 143 buildable acres remain with full services. Using a simplistic approach, this can be considered an inventory of 7.7 years. This assumes a continuation of historic absorption trends and does not take into account the size, location, or covenants associated with the available land.

A total of 428 acres of industrial land, serviced and unserved, is available. Assuming the historic absorption rate of 18.5 acres per year, the community has a 23-year inventory.

Table 8-11:
Summary of Industrial Park Absorption and Density

Industrial Park	Years Active	Total Acres	Acres Sold	Average Annual Absorption	Acres Remaining	Estimated Years Remaining	Building Sq. Ft.	Building as a % of Land Sold
Chippewa Valley	1968-2001		272	8			2,053,711	17
Skypark	1982-2002		65	3			*369,679	*18
Gateway	1990-2002		320	24			1,556,488	11
Total	1968-2002		648	18			3,979,878	14

Analysis by Economic Development Services based on data provided by the City of Eau Claire Economic Development Division, August 2003.

* Skypark building square footage and density calculation reflects all buildings and land except one parcel due to a lack of building information.

The table above indicates that the older parks currently show the greatest density (building footprint as a percent of land sold). This may be because of the nature of the original land sale, or because businesses have added to their original facilities over time. However, a key factor influencing density appears to be the difference between large and small facilities.

Table 8-12:
Relationship between Size of Facility and Density

Industrial Park	Density for Parcels with Buildings		Average Density
	Under 30,000 sq. ft.	Over 30,000	
Chippewa Valley	11	20	17
Skypark	14	19	18
Gateway	6	12	11

Analysis by Economic Development Services based on data provided by the City of Eau Claire Economic Development Division, August 2003.

A parcel by parcel analysis of the three business parks reveals that in the Chippewa Valley and Gateway parks, parcels on which buildings over 30,000 square feet are constructed have nearly twice the density of parcels with smaller buildings. If the 80-acre Gore/3M transaction were excluded from the calculation, density on the larger parcels in Gateway would average 15.4%, nearly 2.5 times the density of the small facility parcels. It is likely that the lot configurations in these parks are designed to accommodate larger

facilities. Indeed, the largest facility in Skypark is 70,000 square feet, compared with facilities larger than 300,000 and 400,000 square feet in Chippewa and Gateway respectively. Smaller facilities on larger lots use land inefficiently because lot depths and setbacks are designed for larger facilities.

Downtown

Downtown Eau Claire is located at the confluence of the Chippewa and Eau Claire Rivers.

Downtown is a government center – city, county, state, and federal offices are located there. Legal and other professional services are also concentrated downtown, some because of proximity to the courthouse and other government functions. Downtown is home to 24 law offices and 72 other professional services, including 2 abstract and title companies, 2 appraisers, 8 property management and real estate development firms, 10 computer and internet companies, 4 financial institutions, and 14 insurance and investment service firms. There are a number of personal services including dance studios, barbershops and beauty salons, and dry cleaners. (Brochure: “The place to be,” published by Downtown Eau Claire, Inc. 2003) Most businesses are locally owned and operated.

Downtown also serves as a focal point for arts and entertainment in the region. The Eau Claire Regional Arts Center features a renovated 1922 Art Deco style theater, an art gallery, and a two-story office complex. It is home to the Chippewa Valley Symphony Orchestra, the Chippewa Valley Theatre Guild, the Eau Claire Children’s Theater, vocal groups, three dance organizations, and a number of private music instructors and other organizations. The L.E. Phillips Memorial Library hosts popular programs for all ages. There are 13 specialty retailers, 9 restaurants, 5 taverns, 4 antique stores, and 2 bookstores.

The Holiday Inn Convention Center has 122 guestrooms, 13 meeting and conference rooms, and the capacity to serve 650 people in one area – the largest capacity in the community.

Employees working in the downtown area as well as area residents actively use the YMCA, located at 700 Graham. The Y is considering an \$11 million renovation to the 75,000 square foot facility to relocate gymnastics to the downtown location from 229 Moore St., build a new daycare and aquatics center, and remodel the old daycare for a new aerobics facility. For the proposed \$11 million plan to work out, a block of Graham Avenue would have to be vacated by the city. The closure would mean that two-way traffic would return to Barstow Street and Graham Avenue for the first time since 1972.

Construction is underway for a critical new anchor for downtown revitalization; the \$10 million, 100,000 square foot Royal Credit Union (RCU) office will be located at the confluence of the Eau Claire and Chippewa Rivers. The RCU facility cleans up a contaminated site and will initially bring 200 new jobs to downtown. An additional 10,000 square feet of high quality office space will be available for lease in the RCU complex. Phoenix Park, located adjacent to the RCU facility and the rivers, will include a farmers’ market located in the park, office buildings, multi-family housing, structured

parking, and some retail. Phoenix Park will provide visitors and residents with access to the riverfront and will incorporate the rivers into downtown's image and activities.



The Royal Credit Union building under construction along the future Phoenix Park in the North Barstow Redevelopment District

The vision for downtown includes a mix of government and business offices, arts and entertainment, independent retail and service businesses, medical offices, and additional housing.

Four downtown development districts have been identified to better guide the downtown revitalization process:

- Historic Waterfront
- Medical Center
- North Barstow
- Courthouse

The ***Historic Waterfront District*** is located north of the Eau Claire River and east of the Chippewa River. It is the pedestrian-oriented traditional heart of downtown with older buildings. In addition to City Hall, the library, YMCA, Holiday Inn Conference Center, and the Eau Claire Regional Arts Center, the downtown arts, entertainment and specialty businesses are clustered here.

Key issues and opportunities facing the Historic District include parking, South Barstow streetscape, housing development, improvements to older buildings, and business retention/ recruitment. A possible Children's Museum and expansion of the YMCA are opportunities that would increase the critical mass of destinations in downtown Eau Claire.

The ***Medical Center District*** is located south of the Eau Claire River, and west of the confluence of the two rivers. The centerpiece of this district is Luther Midelfort Mayo Health Systems Hospital, a 310-bed general and intensive care facility (occupancy of 140 beds) employing approximately 1,900. The district also includes:

- The L.E. Phillips Senior Center;
- The West Riverside Building; and
- The City's Parks and Recreation Community Center.

In addition, this district includes two commercial areas, a mixture of commercial uses along Madison Street, and a mixture of light manufacturing and warehousing along Oxford Avenue north of Cameron Street. The vision for the district includes a revitalization of Madison Street and repositioning stores to provide for medical support business along with convenience retail to serve neighborhood residents, hospital employees, and visitors.

The ***North Barstow District*** is located west of the Chippewa River and north of the confluence of the two rivers, immediately north of the Medical Center District. This district includes a mix of uses including light manufacturing, retail, office, and residential. On the east end of the district is a very successful redevelopment. Banbury Place, formerly the UniRoyal manufacturing facility, has been converted to a 1.9 million square foot, multi-tenant, mixed use facility that accommodates a mixture of light industrial, manufacturing, commercial warehousing, service, retail, office, and self-storage business activities, as well as on-site child care, a small restaurant, and a 35-unit apartment complex. Banbury is home to more than 115 businesses employing 650 people. Privately redeveloped, the facility serves both as a long-term home for many businesses and as an incubator for start-up operations.

Phoenix Park and the new \$10 million, 100,000 square foot Royal Credit Union corporate headquarters will be located near the confluence of the two rivers in the North Barstow District. With increasing redevelopment and activity in this area, parking will need to be continuously addressed.

The ***Courthouse District*** is located south of the Eau Claire River and includes a variety of uses, including:

- The County government complex;
- A compact commercial area, focused around Grand and First, which is represented by the West Grand Avenue Business Improvement District; and
- A number of quality historic homes and apartments.

The Eau Claire County government complex, with over 530 employees, houses a broad array of county functions including administration, treasurer, human services, planning and development, health, courts, and others. Expansion of the County government center is anticipated.

The vision for the commercial area does not include an expansion of its geography into the residential area. It could be strengthened by the presence of businesses involved with personal and professional services, as well as convenience retail for residents, employees, and county complex users.

Institutional Campus Complex

The campuses of five major employers are adjacent to each other along the Chippewa River – the University of Wisconsin – Eau Claire, Chippewa Valley Technical College, Sacred Heart Hospital, Marshfield Clinic, and Midelfort Clinic.

Approximately 20,307 students, employees, patients (in-patient and out-patient), and hospital visitors are in this area of approximately 55 city blocks on a daily basis during

the school year. Of this number 3,738 are on-campus students and there are 95 - 135 in-patient beds occupied each night; this population may not be moving in and out of the area on a daily basis. However, at least 16,450 people move into and out of the adjacent campuses for work, school, or healthcare. There are also many service vehicles bringing in food and supplies.

Many of these facilities anticipate expansion over the near term, and the long term.

Retail

Retail activity for the Eau Claire region is centered around the Oakwood Mall in the southeast corner of the city, near the intersection of US 53 and I-94. Oakwood has over 100 stores; anchor tenants include Marshall Field's, JC Penney, Scheels All Sports, Sears, and Younkers.

Commercial corridors along highways and major arterials include:

- Highway 53 (Hastings Way),
- Highway 93,
- North Clairemont Avenue, and
- Areas along Madison, Birch and Harding Avenues.

Concentrations of retail activity are expected at the new US 53 freeway interchanges.

Traditional, pedestrian oriented retail areas include:

- The Historic Waterfront District of downtown,
- Water Street near the University, and
- West Grand Avenue near the Courthouse.

Economic Development Framework

Economic Development Roles and Responsibilities

City of Eau Claire Economic Development Division

The City of Eau Claire and its Economic Development Division participate actively in a full array of economic development functions, including:

- Site location assistance and preparation of proposals for prospective companies,
- One-stop assistance with permits, zoning, and utility issues,
- Ownership of SkyPark Industrial Center,
- Partner in Gateway West and Gateway Northwest Business Parks,
- Business retention visits to existing industries (coordinated with Eau Claire Area Economic Development),
- External marketing activities in cooperation with county, regional, and state partners,
- Maintenance of a building and sites inventory for industrial and commercial properties as well as City Center/downtown properties,
- Maintenance of a database of development related statistics,
- Management of several revolving loan funds,
- Management of Downtown Eau Claire, Inc. and the Clearwater Development Corporation,
- Management of the Eau Claire Area Redevelopment Authority, and
- Participant and supporter of numerous development oriented community committees and organizations.

Eau Claire Area Economic Development Corporation (EDC)

The Eau Claire Area EDC is a private, nonprofit corporation that works with manufacturers, government, and community groups to enhance economic development in Eau Claire County. The mission of the organization is “to create and maintain quality job opportunities in the Eau Claire Area. The Corporation will sustain and enhance a positive business climate by ensuring the training and development of a qualified workforce and by assisting existing business and industry, attracting new business and industry, and bringing into existence new job growth opportunities.” The organization receives approximately one third of its funding from Eau Claire County, a third from the City of Eau Claire and other municipalities, and a third from private business contributions. The Eau Claire Area Economic Development Corporation has a staff of four and an annual budget of approximately \$345,000.

The Eau Claire Area Economic Development Corporation offers a broad range of services including:

- Business retention visits to existing industries (coordinated with Eau Claire Area Economic Development),
- Management of revolving loan funds,
- External marketing activities in cooperation with city, regional, and state partners,
- Development of marketing materials, and
- “Creating Your Own Business” contest.

Momentum Chippewa Valley

Momentum Chippewa Valley coordinates regional economic development efforts in Eau Claire, Dunn, and Chippewa counties. Momentum involves public and private sector representatives and focuses on statewide issues, marketing, and regional initiatives such as high-speed rail between Chicago and the Twin Cities.

Gateway Industrial Park Corporation

Gateway is a partnership involving the City of Eau Claire, the Eau Claire Area EDC, and Xcel Energy. Gateway manages the Gateway West Industrial Park.



Financing Programs

The City of Eau Claire, the Eau Claire Area EDC, and other regional partners have secured or organized a comprehensive array of financing tools to support business expansion and attraction. A variety of state and federal programs are also available to support economic development projects.

Three financing tools are **targeted geographically within the City of Eau Claire**.

- **Eau Claire Downtown Loan Pool**
Downtown Eau Claire, Inc., in cooperation with 10 local financial institutions and with assistance from the Chamber of Commerce, has created a \$5 million loan pool targeted for businesses located in downtown Eau Claire. Interest rates are below market rate, and funds may be used for equipment or to purchase, construct, or remodel a building. The fund is managed by the City of Eau Claire's Economic Development Division.
- **Eau Claire Development Zone**
The development zone is a state initiative designed to stimulate private investment through a variety of tax credits to improve both the quality and quantity of employment opportunities in Eau Claire. The zone includes downtown Eau Claire (both sides of the Chippewa River), Banbury Place, the north side of the Eau Claire River, the National Presto Industrial Site, and the northeastern portion of the Chippewa Valley Industrial Park.
- **Tax Increment Financing**
This statewide tool allows a City or an Economic Development Authority to use the increased property taxes resulting from development or redevelopment to pay the debt service on bonds sold to make the project feasible. In Eau Claire, the bond proceeds are only used to pay for new utilities or roads, except that in the downtown North Barstow redevelopment district this tool was used to reduce the cost of selling land to the redeveloper. Eau Claire uses tax increment financing more conservatively than most cities.

The following funds are targeted specifically to **technology-oriented businesses**.

- **I-94 Technology Zone**
Established by the State of Wisconsin in 2002 for a 10-year period, may provide \$5 million in tax credits to qualifying high tech companies making capital investments and creating jobs.
- **Eau Claire Area Manufacturing Technology Implementation Fund**
Provides loans up to \$15,000 to encourage companies to participate in a comprehensive Manufacturing Technology Assessment and implement the strategic objectives recommended as part of the assessment.

The following funds are all available to **manufacturers** and some other sectors (as noted).

- **Eau Claire Economic Development Administration Revolving Loan Fund**
Provides low interest loans for up to \$100,000 for manufacturers or service industries that create new jobs in the City of Eau Claire. Dislocated workers who start new businesses are also eligible.
- **Eau Claire Economic Development Fund**
Provides loans up to \$150,000 at a lower interest rate for commercial and industrial projects that create jobs in the City of Eau Claire.
- **Eau Claire Area Loan Pool**
Created by the Eau Claire Area Industrial Development Corporation and local lenders, provides the ability to finance and develop buildings for lease/sale to companies locating or expanding manufacturing facilities in the Eau Claire area.

Issues and Opportunities

Competitive Strengths and Weaknesses of the Eau Claire Economy

A community's approach to economic development is based on its competitive strengths, weakness, opportunities and threats.

Strengths

Crossroads location: I-94 Minneapolis/ Chicago; US 53 Duluth / La Crosse; US 29 Minneapolis/Green Bay
Location east of the Twin Cities – closer to markets; Wisconsin business climate
High tech industry in Eau Claire and the Chippewa Valley
UW- Eau Claire, CVTC as educational/ workforce development partners
Strong regional health care center

Insurance back office
Stable, productive workforce
High educational attainment
Quality of life amenities
Perceived as a good location to raise a family
Good infrastructure
Chippewa Valley Regional Airport
Good business and industrial parks
Capable economic development staff
Banbury Place
River, natural environment
Historic downtown along the river
Low cost of living

Weaknesses

Low percentage of manufacturing employment
Spousal employment options less than larger metro areas
Lack of rail served industrial sites
83 acres of available industrial land currently available does not include a large site with services
Lower wage rates

Opportunities

Build on existing industry clusters – high tech, plastics, metal manufacturing, food processing
Completion of Hwy 29 as 4-lane

Improve access to quality of life amenities for prospective employees, visitors and new residents by enhancing trail system; access to water resources; and strengthening downtown as an entertainment and cultural center

Threats

Loss of manufacturing employment due to competition from China and other low cost locations

Aging and retirement of baby boom may create worker shortages unless younger workers are retained/attracted
Paper industry vulnerable to significant international competition
Loss of a major employer

Workforce

Historically, competitiveness was based on access to natural resources, agricultural commodities, transportation, and cost factors such as the cost of labor, utilities, and taxes. These are still important factors, but increasingly the availability and skills of the workforce as well as training resources are critical in company decisions to locate or expand a facility.

The retirement of the baby boom in next decade is expected to tighten labor availability in the United States. The competitiveness of manufacturing and high technology in countries like China and India will challenge US companies to find niches less subject to competition. An available, skilled, and adaptable workforce will be critical to business success.

Attracting and retaining a quality workforce, particularly younger members of the workforce, is increasingly part of a community's economic development strategy. Cultural amenities like a lively arts, culture and entertainment district, and recreational amenities like trails, access to lakes and rivers, golf, health/exercise facilities, hunting, and fishing are important to attracting and retaining a competitive workforce. Quality neighborhoods, schools, health care, a respect for diversity, and community assets that meet the needs of younger single people, families and the elderly are all considered important.

How can the community maintain or improve its attractiveness as a place to live/work? Which community resources and areas should be a priority in a strategy to attract and retain a competitive workforce?

Key Development and Redevelopment Areas

Business and Industrial Parks

Tax Base Density of Future Business Park Developments

Optimizing the tax base density of development in business and industrial parks helps a community secure the greatest return on its investment in infrastructure. In the case of municipally owned industrial parks, it also impacts the community's return on investment in land. Tax base density is influenced by two variables – the density of development (square feet of building: square feet of land) and the quality of the building. More expensive buildings pay higher taxes.

The amount of land required for individual building sites is regulated by zoning and varies by community. While some communities require 30 – 35% initial coverage with expansion up to 50% coverage, industrial site location professionals seem to prefer about 25%, which allows a typical user (without unusual outside storage or extensive parking/trucking requirements) to double in size on-site. Private business park owners and build-to-lease industrial developers typically work with an initial building coverage of 25% - 35%, depending upon the amount of office build-out, which requires more parking.

Some communities accommodate prospective companies wanting additional land by providing an option on the land; including “buy back” provisions for portions of the land if no expansion has occurred in a specified number of years; or limiting the tax increment incentive the community provides to a site in a specific ratio to the initial size of the building.

The value of the building also influences tax base yield per acre. The assessed value of a steel building is approximately 40% less than a tip-up concrete structure in Eau Claire. Higher design standards regarding exterior building finish and landscaping increases the assessed value of a property; a higher percentage of finished office space will also increase the value. High building standards are the norm in most major metropolitan areas, with low standards the norm in remote rural areas. Communities need to find a balance between pushing for higher standards but not making their community less competitive.

Table 8-13 is based on actual building values and density rates in a Wisconsin business park. It reveals the dramatic impact of land coverage and building values on the tax yield to a community. The assessed value per acre is of importance to communities as they consider their infrastructure and development related costs and long term tax yield. The lowest density-lowest value scenario creates \$107,120 in assessed value per acre. The highest value scenario (a clinic) generates \$1,762,400 per acre, while an office building generates \$963,800 per acre. A typical tip-up concrete industrial building with an assessed value of \$37 psf at 33% coverage will yield \$557,240 in assessed value.

Should the city seek to increase the tax base density of its business and industrial parks? In Eau Claire is this appropriately done by increasing density, increasing building value, or both? What standards are appropriate for the community? To increase density, should the city encourage the development of “small lot neighborhoods” (with more shallow lot depths and setback requirements) in the business parks that are designed specifically for smaller buildings? To increase density should the city encourage multi-tenant industrial condominium buildings to aggregate small users and still enable them to enjoy the benefits of ownership?

Table 8-13

Tax Base Density

Table 8-13
Tax Base Density

Land (acres)	Building/Land Ratio*	Size Bldg (sq ft)	Value Bldg per sq ft	Assessed Value	Assessed Val per acre	Total Tax 2002	City Tax 2002	T ac
Vary Building/Land Ratio								
10	10%	43,560	37.00	1,929,486	192,949	43,732	14,998	
5	20%	43,560	37.00	1,754,486	350,897	39,765	13,638	
4	25%	43,560	37.00	1,719,486	429,871	38,972	13,366	
3	33%	43,560	37.00	1,684,486	561,495	38,179	13,094	
Vary Building Value								
4	25%	43,560	37.00	1,719,486	429,871	38,972	13,366	
4	25%	43,560	50.00	2,274,440	568,610	51,550	17,679	
4	25%	43,560	65.00	2,914,772	728,693	66,063	22,657	
4	25%	43,560	100.00	4,408,880	1,102,220	99,927	34,270	
Vary Building/Land Ratio and Building Value								
10	10%	43,560	37.00	1,929,486	192,949	43,732	14,998	
10	10%	43,560	50.00	2,484,440	248,444	56,310	19,312	
10	10%	43,560	65.00	3,124,772	312,477	70,823	24,289	
10	10%	43,560	100.00	4,618,880	461,888	104,687	35,903	
5	20%	43,560	37.00	1,754,486	350,897	39,765	13,638	
5	20%	43,560	50.00	2,309,440	461,888	52,343	17,951	
5	20%	43,560	65.00	2,949,772	589,954	66,857	22,929	
5	20%	43,560	100.00	4,443,880	888,776	100,721	34,542	
4	25%	43,560	37.00	1,719,486	429,871	38,972	13,366	
4	25%	43,560	50.00	2,274,440	568,610	51,550	17,679	
4	25%	43,560	65.00	2,914,772	728,693	66,063	22,657	
4	25%	43,560	100.00	4,408,880	1,102,220	99,927	34,270	
3	33%	43,560	37.00	1,684,486	61,495	38,179	13,094	
3	33%	43,560	50.00	2,239,440	746,480	50,757	17,407	
3	33%	43,560	65.00	2,879,772	959,924	65,270	22,384	
3	33%	43,560	100.00	4,373,880	1,457,960	99,134	33,998	

* Building/Land Ratio = Building footprint/land area

Land Value is

Source: Table by Economic Development Services; Tax formulas for 2002 from Al Andreo, City Assessor, City of

Limited Rail Access

There is only one 4-acre site with rail access in Eau Claire. While not a lot of companies require rail, it is critical to some operations; such operations may locate in another county due to the lack of rail sites in Eau Claire. For companies doing business in the area, it may mean increased trucking costs; for communities it may mean additional truck traffic.

Some trucking and logistics firms are creating facilities and providing services that enable small and mid-sized manufacturers to use rail, providing substantial cost savings on freight. One such facility in Lakeville, MN provides rail access for a number of industrial park tenants as well as businesses within a 30 - 40 mile radius.

Are there any potential sites in the Eau Claire that could be developed or redeveloped with rail access? Do these sites have other appropriate infrastructure? Highway access? Will conflicts be created with residential or other uses? Will rail car movements block important crossings?

Conflicts with adjacent uses

Throughout the nation business and industrial parks are typically sited to provide good transportation access and to avoid conflicts with adjacent uses – particularly schools and residential areas. Concerns include truck traffic, 24-hour noise associated with trucks, blowers or mechanical equipment, accidental releases of toxic materials, and children playing in dangerous situations. There have been perceived conflicts from time to time in Eau Claire where residential and industrial uses are located next to each other with little or no buffer zone.

Existing business and industrial parks -- What should Eau Claire do to address conflicting uses? What tools are available?

Future business and industrial parks – What should Eau Claire do to minimize the density of residential development in or near future parks? What tools are available?

Development of Additional Business and Industrial Park Land

Since 1968, industrial land absorption in the City of Eau Claire has totaled 648 acres, an annual absorption of 18.5 acres. A total of 143 buildable acres remain with full utility services. Using the historic absorption rate, this is an inventory of approximately 7.7 years. However, this does not take into account the size, location, or covenants associated with the available land.

The total inventory of industrial land, with and without utility services, is 428 acres, or an estimated supply of approximately 23 years. While there is no immediate pressure, the community should continue to look at reserving land that could provide highly competitive industrial sites with characteristics such as interstate access or large parcels of flat land. In recent years, a lack of large, flat sites has proved to be a competitive disadvantage for Eau Claire.

Does the community's inventory of serviced industrial sites provide an appropriate and competitive mix of sites with regard to location, size, topography, and covenants? Will

all sites available (serviced and unserved) meet the needs of the competitive marketplace with regard to location, size of parcels, topography, amenity levels over the 20 year cycle of the comp plan? If not, what are some potential locations for additional business park development with good transportation access, reasonably flat topography, and access to utility infrastructure? Which are redevelopment sites and which are new development sites? How does the city want to balance redevelopment, infill and use of existing infrastructure vs. extension of utility services to “greenfield” sites? How can adjacent land be controlled to minimize future conflicts with neighboring uses?

Coordinated Campus Planning

The University of Wisconsin-Eau Claire, Chippewa Valley Technical College, Marshfield Clinic, Sacred Heart Hospital and Midelfort Clinic serve the region and are located adjacent to each other south of the Chippewa River along Clairemont Avenue. Approximately 20,300 students, employees, patients, and visitors are located in the 55 square block area (approximately 6 blocks by 9 blocks) daily during the school year. Of this group, approximately 16,500 people are not resident students or hospital patients, and commute to and from the area on a regular basis. Several of these institutions have near term expansion and construction plans. Over the next 20 years, it is likely that significant change will occur, filling in much of the vacant land, increasing traffic and parking demand.

Would it be beneficial to convene the five institutions to share long term masterplan information and identify issues as well as opportunities for coordinated campus planning? What issues might be addressed – Traffic and access management? Parking demand and shared parking? Transit amenities? Pedestrian movement? Green space and amenities? Childcare? Retail or service businesses? Other?

Redevelopment Areas

National Presto Industries

National Presto Industries owns approximately 300 acres south of Melby, just east of US 53/124. Corporate headquarters are still located at the site, although most manufacturing operations are now elsewhere. The site was contaminated; US EPA declared it a “superfund” site, and remediation has taken place. The wooded hilly land on the south side of the site may be well suited for residential or park land use; approximately 100 acres of flatter land along is available along Melby that would be suitable for commercial or industrial purposes.

When four-lane US 53 is completed east of Eau Claire, there will be an interchange at Melby less than a mile east of the Presto site. This will provide the site with access not only to US 53, but quick access to US 29 and I-94 via US 53.

What are the barriers to redevelopment? How or when might these be overcome? Should redevelopment of the Presto site occur within the next 20 years? If this area is redeveloped, what is a likely time horizon, 1-5 years? 5-10 years? 10 – 15 years? 15 – 20 years?

Chippewa Valley Industrial Park east to Hwy 53

The Chippewa Valley Industrial Park is located north and south of Melby between the Chippewa Valley Regional Airport and US 53/124. Some older, lower value housing is located between US 53/124 and the Chippewa Valley Industrial Park. Truck traffic traveling into the industrial park must go through the residential area.

In 2002, approximately 21,000 commercial air travelers used the Chippewa Valley Regional Airport. Based on forecasts in the airport masterplan (September 2001), the mid-range forecast shows the number of commercial air travelers growing to 42,300 in 2005 and 176,400 in 2020. The rapid population growths of western Wisconsin, as well as airport and traffic congestion in the Twin Cities, are contributing factors. The airport will also experience increases in private aviation and air cargo. To achieve its full potential as a regional airport, and to manage traffic coming into the airport from the region, access will be provided from the new US 53 route via Melby. Regional traffic coming to Eau Claire via US 29 and I-94 are likely to use the new US 53 and Melby for quick and easy access to the airport.

Should an area between existing US 53/124 and the Chippewa Valley Industrial Park along Melby be redeveloped? What use or uses are appropriate for this gateway location, which offers good highway and airport access? What lot depth would be needed for these uses? If this area is redeveloped, what is an appropriate time horizon, 1-5 years? 5-10 years? 10 – 15 years? 15 – 20 years?

Downtown and Riverfront

Downtown serves as an employment center for government, legal and professional services, health care, arts and entertainment. Construction is underway on the Royal Credit Union corporate headquarters and Phoenix Park. These two facilities are important to enhancing downtown as a center for employment and entertainment. Located at the confluence of the Eau Claire and Chippewa Rivers they will greatly enhance the community's riverfront. The vision for downtown includes a mix of government and business offices, arts and entertainment, independent retail and service businesses, medical offices, and additional housing.

Maintaining a vital downtown requires a dynamic mix of activities during the day and in the evening. Some facilities/services serve as critical anchor tenants – drawing additional businesses or activity. For example, many types of law offices find it convenient to locate close to courtrooms and information located in the courthouse. The YMCA offers convenient exercise and childcare facilities for downtown area employees during the day, and draws families into the area in the evening and on weekends. Restaurants benefit from a strong employee base over lunch, and people participating in cultural and recreational activities on evenings and weekends. Downtown housing can strengthen the customer base for some retail and service businesses.

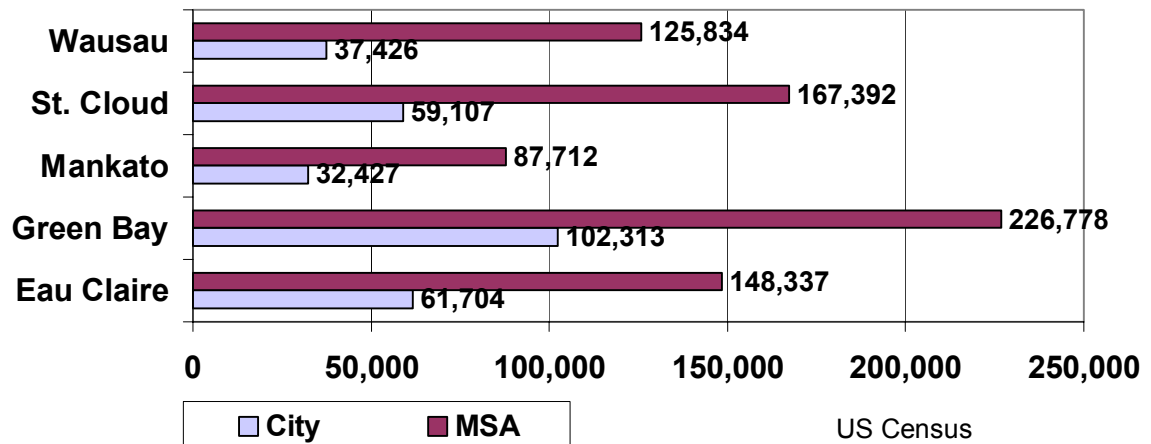
What businesses, government entities, and recreation/cultural amenities serve as “anchor tenants,” drawing people into downtown? How can these facilities/services be retained and/or enhanced? What else could be added to the economic mix to create a healthy and dynamic downtown?

Organization

The economic development organizations in the Chippewa Valley provide a comprehensive array of services, but have differentiated their program focus. Momentum Chippewa Valley brings together the communities of the Chippewa Valley for a greater, and more cost effective, impact on external public relations with state government and external marketing with prospective businesses. The Eau Claire Area Economic Development Corporation (EDC), which receives about 1/3 of its funding from the City of Eau Claire, focuses on statewide issues, entrepreneurship, and rural initiatives. The City of Eau Claire and the EDC coordinate a comprehensive business retention call program. Gateway Industrial Park Corporation – a partnership between the City of Eau Claire, the Eau Claire Area Economic Development Corporation and Xcel Energy – manages the Gateway Business Parks on Eau Claire’s west side. The corporation also owns some industrial buildings. The City’s Economic Development Division is closely involved with the development of the business parks and infrastructure services to the parks; downtown revitalization; and the specifics of development proposals, loans, and transactions.

This comprehensive yet well-differentiated array of economic development services has met the community’s needs effectively. Communities need to revisit these structures from time to time to see if they meet evolving challenges and opportunities. For communities the size of Eau Claire, it is typical to see economic development efforts at the local, county and regional level. This varies from community to community. Information on population, staffing levels, budgets and organizational responsibilities among 5 similarly sized Minnesota and Wisconsin communities is provided to create a context for Eau Claire’s economic development effort.

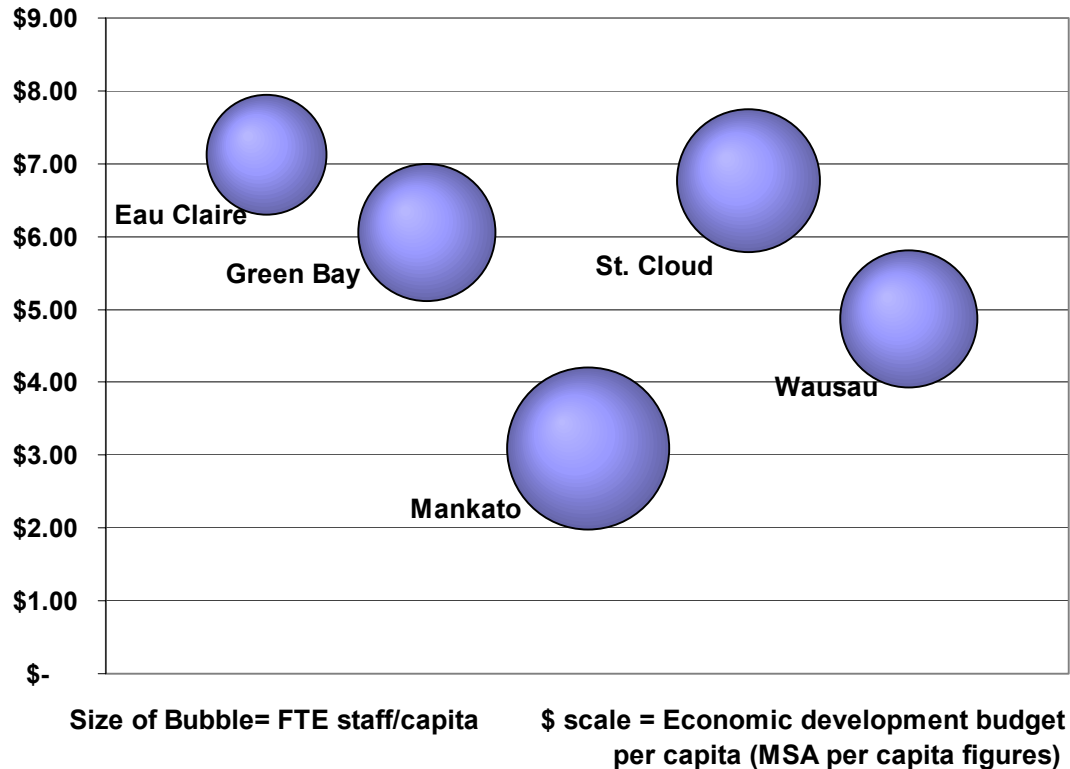
**Figure 8-5:
Population of Comparison Communities: City and MSA**



Population does affect the size of the financial contribution to economic development. Green Bay the largest city has the largest total budget, and Mankato, the smallest city has the smallest budget. When considered on a per capita basis, Figure 8-6 indicates that Eau

Claire and St Cloud have the highest budgets per capita. The size of the circle for Eau Claire is the smallest however, reflecting the smallest staff on a per capita basis (based on MSA population, budget and staffing levels.) While Mankato has the lowest budget on a per capita basis it has the more staff per capita than the other communities. How communities calculate their budgets vary however so such comparisons are not perfect. For example, downtown beautification in Mankato is included in the budget for the parks department. Downtown efforts in Wausau, Green Bay, and St. Cloud are in non-profit organizations with clear, separate budgets. In Eau Claire, there is a budget for downtown staff, but some of economic development director's time is devoted to downtown and that is included in the general city economic development budget.

Figure 8-6:
Comparison Communities: Full-time Staff and Budget Per Capita for All
Economic Development Organizations



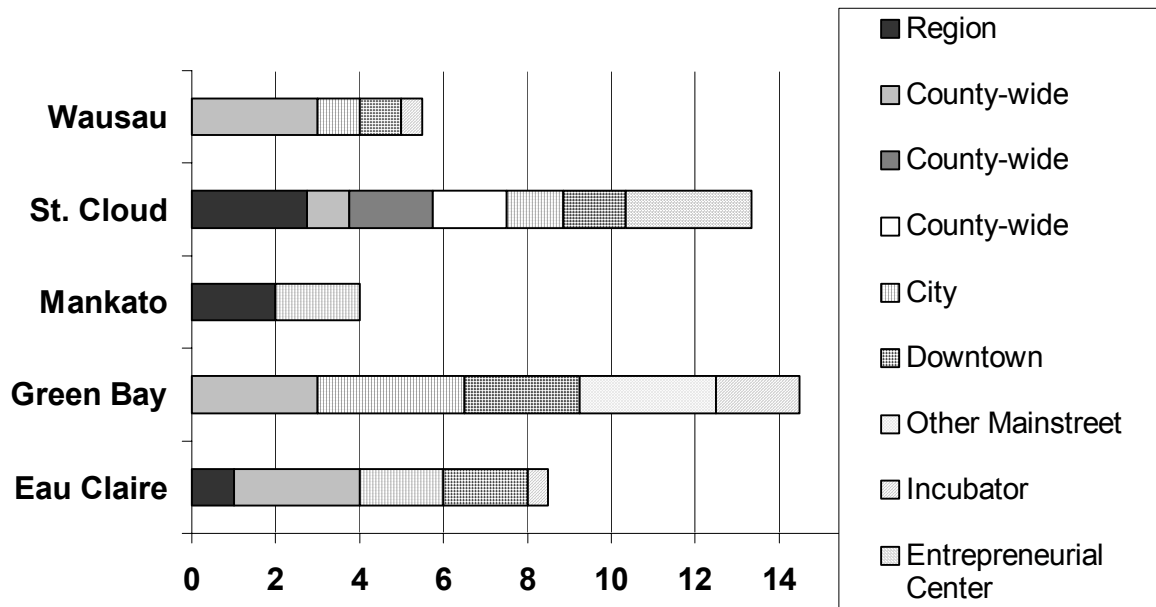
How communities acquire and allocate resources depends upon geo-political factors as well as the community's economic development challenges and strategies. The urbanized area of St. Cloud consists of 5 well-established cities and the City of St. Cloud itself is located in 3 counties. A regional effort enables a prospect to work with the greater St. Cloud area and nearby small town partnership members, without needing to contact each municipality or county. County efforts in the St. Cloud area include rural/small town activities, as is the case in Eau Claire and Wausau/Marathon County, but is less the case in Green Bay or the Mankato area. The Green Bay, Wausau, and St. Cloud areas all have a number of adjacent cities and villages with sizable populations and substantial commercial/industrial development. The budgets/staff of these adjacent municipalities are not included.

Figure 8 - 7 indicates that the downtown commitments in Green Bay, St. Cloud and Eau Claire are similar in size. However, the budget/staffing figures for downtown Eau Claire don't reflect the time commitment of the Mike Schatz, Director of the Economic Development Division to downtown activities. The downtown Mainstreet program in Wausau is just over 1 year old. In addition to downtown, Green Bay has two other Mainstreet areas, reflecting its more complex commercial landscape. While City (City of St. Cloud HRA) efforts are smaller in St. Cloud, this reflects the budget only in the core City of St. Cloud and doesn't reflect the commitments of other cities in the MSA – several of which have full time economic development staff. Similarly in the Wausau

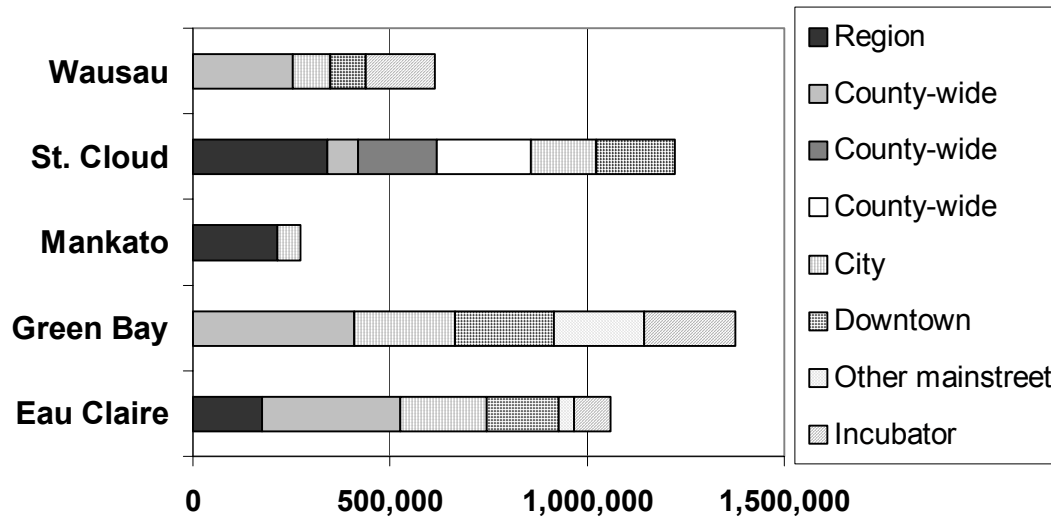
and Green Bay metro areas, village administrators or community development directors in other municipalities devote time and resources to economic development. Those figures aren't included.

Figures 8-7 and 8-8 reveal that Green Bay has elected to emphasize entrepreneurship and support of a strong incubator program based on its strong business base and location at the end of the transportation network. While Eau Claire has been rewarded in its recruitment efforts, Green Bay has not found as much success in recruitment due to its location. Eau Claire's successful marketing approach may require more resources devoted to marketing materials and activities. Please note that 3 counties are listed because the City of St. Cloud is located in 3 counties.

**Figure 8-7:
Comparison Communities: Economic Development Staff (Full-time Equivalents)**



**Figure 8-8:
Comparison Communities: Economic Development Budgets**



Source: Economic Development Services-- telephone interviews

Budget figures for Anderson Entrepreneurial Center in St. Cloud were not obtained; FTE information for the Center is shown in Graph 8-7.

Looking ahead, is economic development likely to be less important to the community, more important, or the about same? Are there any critical gaps in the economic development functions in the community? Are any program areas getting fewer resources than they did in the past? Is there any duplication of services in the current structure? Are there any emerging priorities that will require a significant commitment of resources (\$\$ and staff)? Are there any economic development functions that are declining in priority? Are any new partners needed to successfully accomplish community economic development goals?

How can organizational roles, responsibilities and budgets be changed to accommodate changing community needs, priorities, and opportunities?